

EXHIBIT 1.2 TO DECLARATION OF CARL M. VARADY

Carl M. Varady
 American Savings Bank Tower
 1001 Bishop Street, Suite 2870
 Honolulu, HI 96813

Ph:808/523-8447

Fax:808/523/8448

Loveland Academy & PALS
 1506 Piikoi
 Honolulu, HI
 96822

May 18, 2008

Attention:

File #: Loveland-PAL

Inv #: Sample

RE: Billing Dispute with DOE

| DATE | DESCRIPTION | HOURS | RATE | AMOUNT | LAWYER |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------|--------|--------|
| Feb-18-02 | Discovery and Document Production & Review : review recent payments | 0.20 | \$0.00 | 0.00 | CMV |
| Mar-03-02 | Discovery and Document Production & Review : meeting to discuss terms and possible remedies with client | 2.90 | \$275.00 | 797.50 | CMV |
| Mar-25-02 | Discovery and Document Production & Review Telephone conference(s) with B. Hurd and S. Levin re status of due process hearings and settlements re Levin clients and outstanding billing for same | 0.60 | \$275.00 | 165.00 | CMV |
| Apr-02-02 | Discovery and Document Production & Review : discuss general conditions of autism services RFP, effect on current services now provided at Loveland, gag clause and other issues raised by RFP with client and M. Koven | 0.75 | \$275.00 | 206.25 | CMV |
| Apr-03-02 | Discovery and Document Production & Review : read letter from Diamond Head MH Center re M. Koven as service provider to student at Loveland | 0.20 | \$0.00 | 0.00 | CMV |
| May-06-02 | Discovery and Document Production & Review : read terms of protest and general conditions, gag clause assess significance of agreeing to gag clause and significance of other providers doing so | 0.40 | \$275.00 | 110.00 | CMV |

| | | | | | |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| | Discovery and Document Production & Review : read additional materials re bid for autism services and protest to award | 0.70 | \$275.00 | 192.50 | CMV |
| | Discovery and Document Production & Review : read letter from P Dukes to T Donkervoet re terms of new RFP | 0.30 | \$275.00 | 82.50 | CMV |
| May-07-02 | Discovery and Document Production & Review : read letter re risk management and suggest changes to M. Koven, clinical director, read revised letter | 0.40 | \$275.00 | 110.00 | CMV |
| Jun-13-02 | Discovery and Document Production & Review : read letter from Linnel Nishioka re autism contract terms to Chris Butt | 0.30 | \$275.00 | 82.50 | CMV |
| Jun-18-02 | Discovery and Document Production & Review : read lengthy memo from client re interim contract, and nature of original placement for 17 students either currently or previously attending Loveland for whom payment has been delayed or only partially made | 1.30 | \$275.00 | 357.50 | CMV |
| Jun-27-02 | Discovery and Document Production & Review : read memo from R. Hurd re discussion with Chris Butt re outstanding invoices unpaid, DOE's request for documentation, points discussed with DOE re outstanding bills and stay put | 0.80 | \$275.00 | 220.00 | CMV |
| Jun-28-02 | Discovery and Document Production & Review : read letter from Chris Butt in response to proposed modifications of interim contract and compare to original request for modifications | 0.40 | \$275.00 | 110.00 | CMV |
| Oct-22-02 | Discovery and Document Production & Review : read memo from R. Hurd and billing spreadsheets indicating outstanding balances for children placed by DOE/DOH, settlement agreement or decisions | 0.60 | \$275.00 | 165.00 | CMV |
| Nov-07-02 | Discovery and Document Production & Review : read Debra Farmer letter responding to contract and payment issues | 0.40 | \$275.00 | 110.00 | CMV |
| Nov-14-02 | Discovery and Document Production & Review : review memo and outstanding invoices as compared to payment | 0.70 | \$275.00 | 192.50 | CMV |

| | | | | | |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| Nov-20-02 | Discovery and Document Production & Review : review and discuss with client letter from J. Nitta questioning therapeutic aide services | 0.50 | \$275.00 | 137.50 | CMV |
| Nov-26-02 | Discovery and Document Production & Review : review and discuss with client e-mail from Alida Gandy instructing DOE personnel to begin scheduling IEPs for all children at Loveland immediately as means of removing them | 0.50 | \$275.00 | 137.50 | CMV |
| Dec-12-02 | Discovery and Document Production & Review : review and discuss with client letters from Chris Butt re gag clause and payment and Alida Gandy re IEP plan; discuss response | 0.75 | \$275.00 | 206.25 | CMV |
| Dec-14-02 | Discovery and Document Production & Review Telephone conference(s) with with S. Levin, and B. Ellis re their clients at Loveland | 0.30 | \$275.00 | 82.50 | CMV |
| Dec-19-02 | Discovery and Document Production & Review : Telephone conference(s) with S. Levin re J.T. and A.W. children | 0.40 | \$275.00 | 110.00 | CMV |
| | Discovery and Document Production & Review :Telephone conference(s) with S. Levin and C. Parsons re current placements at Loveland | 0.20 | \$0.00 | 0.00 | CMV |
| Dec-20-02 | Discovery and Document Production & Review : review and discuss DOE's positions with client as set forth in 12/20 letter from H. Shikada and discus response | 0.50 | \$275.00 | 137.50 | CMV |
| Dec-21-02 | Discovery and Document Production & Review : draft detailed response to H. Shikada and provide data re students placed at Loveland by settlement agreement, IEP or decision | 0.50 | \$275.00 | 137.50 | CMV |
| Jan-05-03 | Discovery and Document Production & Review : read and discuss e-mail re documents subpoenaed by AG's office | 0.40 | \$275.00 | 110.00 | CMV |
| Jan-06-03 | Discovery and Document Production & Review : review state's answer | 0.75 | \$275.00 | 206.25 | CMV |
| | Discovery and Document Production & | 0.80 | \$275.00 | 220.00 | CMV |

| | | | | | |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| | Review : review and discuss most recent payments, client letter to DOE and DOEs refusal to pay current rates | | | | |
| | Discovery and Document Production & Review : read and discuss with client memo re parent being told by AG that Loveland had been "shut down" due to "fraud" | 0.30 | \$275.00 | 82.50 | CMV |
| Jan-10-03 | Discovery and Document Production & Review Meeting with clients at Loveland to discuss review files, identify children subject to stay put for whom DOE has not paid in full | 1.80 | \$275.00 | 495.00 | CMV |
| Jan-13-03 | Discovery and Document Production & Review : read and discuss Eileen Muraoka letter to parent refusing to pay Loveland invoices directly and asserting that parent had to pay first under settlement agreement before seeking reimbursement | 0.50 | \$275.00 | 137.50 | CMV |
| Jan-15-03 | Discovery and Document Production & Review : read letter from R. Hurd to Chris Butt re Maui payments | 2.00 | \$0.00 | 0.00 | CMV |
| Jan-24-03 | Discovery and Document Production & Review : discuss with R. Hurd that Mona Smoot from DOE told parent by letter that no services could be obtained at Loveland because Loveland refused to sign contract | 0.30 | \$275.00 | 82.50 | CMV |
| Jan-28-03 | Discovery and Document Production & Review : read and suggest revisions for demand for payment from Loveland to DOE and transmit revisions to R. Hurd | 0.20 | \$0.00 | 0.00 | CMV |
| Jan-29-03 | Discovery and Document Production & Review : read and discuss with client letters from A. Schulaner and J. Flynn regarding billing and need for additional information from Loveland | 0.60 | \$275.00 | 165.00 | CMV |
| Feb-03-03 | Discovery and Document Production & Review Telephone conference(s) with B. Hurd and discuss possible responses to J. Flynn's position re payment | 0.20 | \$0.00 | 0.00 | CMV |
| Feb-14-03 | Discovery and Document Production & Review Meeting with B. Hurd to discuss | 1.20 | \$275.00 | 330.00 | CMV |

| | | | | | |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| | current billing and review outstanding bills and compare to services authorized by IEP, hearing or settlement | | | | |
| Feb-15-03 | Discovery and Document Production & Review Draft letter to A. Schulaner re depositions | 0.25 | \$275.00 | 68.75 | CMV |
| Mar-10-03 | Discovery and Document Production & Review Telephone conference(s) with A. Schulaner re case status and discovery plan | 0.30 | \$275.00 | 82.50 | CMV |
| | Discovery and Document Production & Review : telephone conference with client re discovery plan and case status | 0.50 | \$275.00 | 137.50 | CMV |
| | Discovery and Document Production & Review : read and discuss with client DOE's refusal to pay current invoices because they are not signed in pen | 0.40 | \$275.00 | 110.00 | CMV |
| Mar-12-03 | Discovery and Document Production & Review : read and discuss with client letter from Chris Butt indicating Bryna Siegel, who is not licensed in Hawaii, has been retained to inspect Loveland's program and determine its appropriateness for the children placed there | 0.60 | \$275.00 | 165.00 | CMV |
| Mar-14-03 | Discovery and Document Production & Review : read and discuss with client time line of events from June 2001 to current regarding autism services and billing | 0.40 | \$275.00 | 110.00 | CMV |
| Mar-18-03 | Discovery and Document Production & Review : tc with A. Schulaner re DOE's attempt to use unlicensed Bryna Siegel to determine appropriatness of Loveland for children placed there | 0.40 | \$275.00 | 110.00 | CMV |
| | Discovery and Document Production & Review : read and discuss with client DOE's assertion that Brynas Siegel's inspection and assessment of program is appropriate and not a violation of HIPPA | 0.50 | \$275.00 | 137.50 | CMV |
| Mar-20-03 | Discovery and Document Production & Review : review individual invoices for all 7 children place by hearing officer's decision | 0.50 | \$275.00 | 137.50 | CMV |

| | | | | | |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| Mar-25-03 | Discovery and Document Production & Review : review and discuss second subpoena for records from AG's office with client | 0.60 | \$275.00 | 165.00 | CMV |
| | Discovery and Document Production & Review : read letter from US Sen. Carl Levin to Gov. Lingle re military dependents of JE | 0.40 | \$0.00 | 0.00 | CMV |
| Mar-27-03 | Discovery and Document Production & Review : read letter from client re subpoena, record keeping procedures, and inspections | 0.70 | \$275.00 | 192.50 | CMV |
| Apr-02-03 | Discovery and Document Production & Review : review updated invoices for children placed by hearing officer's decisions | 0.40 | \$275.00 | 110.00 | CMV |
| | Discovery and Document Production & Review : review and discuss with client billing records for children placed by DOE and DOH under IEP | 0.40 | \$275.00 | 110.00 | CMV |
| | Discovery and Document Production & Review : review billing records for children from Central District and District's new demand for additional information no previously required for payment | 0.70 | \$275.00 | 192.50 | CMV |
| | Discovery and Document Production & Review : Telephone conference(s) with S. Floyd re affect of Felix on autism services generally and Loveland's continued struggle to survive during non-payment | 0.30 | \$0.00 | 0.00 | CMV |
| Apr-10-03 | Discovery and Document Production & Review : read revised outstanding amounts based on 4/10 payment | 0.60 | \$275.00 | 165.00 | CMV |
| Apr-11-03 | Discovery and Document Production & Review Telephone conference(s) with C. Kamida re HIPPA and FERPA as they apply to electronic data transfers | 0.30 | \$275.00 | 82.50 | CMV |
| | Discovery and Document Production & Review : Telephone conference(s) with with client re HIPPA and FERPA | 0.30 | \$275.00 | 82.50 | CMV |
| | Discovery and Document Production & | 0.50 | \$275.00 | 137.50 | CMV |

| | | | | | |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| | Review : read further revised statement including payments received on 4/11 | | | | |
| Apr-14-03 | Discovery and Document Production & Review : read and respond to T. Baker letter re AG subpoenas | 0.30 | \$275.00 | 82.50 | CMV |
| Apr-15-03 | Discovery and Document Production & Review : read research memo and stipulated protective order addressing HIPPA issues prepared by Clayton Kamida and review in detail with client | 1.60 | \$275.00 | 440.00 | CMV |
| Apr-16-03 | Discovery and Document Production & Review : revise protective order and transmit to A. Schulaner for review | 0.90 | \$275.00 | 247.50 | CMV |
| Apr-18-03 | Discovery and Document Production & Review : review and revise protective order after consulting with C. Kamida | 0.60 | \$275.00 | 165.00 | CMV |
| Apr-21-03 | Discovery and Document Production & Review : read and discuss with client letter from A. Schulaner and enclosures showing modification of special conditions of contract allegedly removing gag clause for one contractor | 0.60 | \$275.00 | 165.00 | CMV |
| Apr-23-03 | Discovery and Document Production & Review Telephone conference(s) with B. Hurd and Loveland Academy owner, Patty Dukes, A. Schulaner C. Kamida re subpoenas, settlemetn status and protective order | 1.00 | \$275.00 | 275.00 | CMV |
| | Discovery and Document Production & Review : read letter from H. Shikada to Clayton Kamida re application of HIPPA and FERPA and intent to subpoena records | 0.80 | \$275.00 | 220.00 | CMV |
| Apr-24-03 | Discovery and Document Production & Review : contact Shikada and Kamida to inform them that records depo cancelled to allow parties to work out protective order | 0.30 | \$275.00 | 82.50 | CMV |
| Apr-25-03 | Discovery and Document Production & Review : read and discuss with client and Kamida, Kamida resopnse to Shikada letter re PO | 0.60 | \$275.00 | 165.00 | CMV |
| May-02-03 | Discovery and Document Production & | 0.50 | \$275.00 | 137.50 | CMV |

| | | | | | |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| | Review : read proposal to modify PO from A. Schulaner and discuss with Kamida | | | | |
| May-23-03 | Discovery and Document Production & Review Telephone conference(s) with B. Hurd re billing and subpoenas | 0.20 | \$0.00 | 0.00 | CMV |
| Jun-16-03 | Discovery and Document Production & Review : review updated spread sheets re amounts owed by DOE for children placed by IEP, settlement or decision | 0.50 | \$275.00 | 137.50 | CMV |
| Jun-18-03 | Discovery and Document Production & Review : meeting with client to review outstanding invoices and rate proposal for next fiscal year, beginning in July | 1.25 | \$275.00 | 343.75 | CMV |
| Jun-20-03 | Discovery and Document Production & Review Telephone conference(s) with B. Hurd re recent billing cycle and current deficiencies | 0.20 | \$0.00 | 0.00 | CMV |
| Jul-08-03 | Discovery and Document Production & Review : review and discuss with client Maui invoices that delete 1:1 services and result in \$60,000 deficiency | 0.30 | \$275.00 | 82.50 | CMV |
| Jul-15-03 | Discovery and Document Production & Review : review update re recent payments and student roster | 0.20 | \$0.00 | 0.00 | CMV |
| Jul-25-03 | Discovery and Document Production & Review : review summaries of delays in payment per child covered by IEP, settlement or decision | 0.30 | \$0.00 | 0.00 | CMV |
| Aug-14-03 | Discovery and Document Production & Review : review outstanding bills for G K-R and discuss with client fact that DOE instructed by AG to pay at old rates | 0.25 | \$275.00 | 68.75 | CMV |
| Aug-25-03 | Discovery and Document Production & Review Telephone conference(s) with conferences with J. Etterbeek re offer of assistance with Governor's office (.2); Telephone conference(s) with E Seitz re same (.2); Telephone conference(s) with Loveland Academy owner, Patty Dukes re same (.2) | 0.60 | \$0.00 | 0.00 | CMV |
| Aug-27-03 | Discovery and Document Production & | 0.40 | \$275.00 | 110.00 | CMV |

Review Discuss L. Sperry as potential
 witeness with Loveland Academy owner,
 Patty Dukes and matters related whether it
 is feasible to continue operating school
 while attempting to collect; draft letter for
 parents to use to establish stay-put

| | | | | | |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| Aug-29-03 | Discovery and Document Production & Review Meeting with client to review billing invoices, IEPs, service records in detail and determine best approach to presenting billing information at mediation after audit | 3.10 | \$275.00 | 852.50 | CMV |
| | Discovery and Document Production & Review Telephone conference(s) with Loveland Academy owner, Patty Dukes re potenital claims for reimbursement and damages arising from unpaid invoices and plan for mediation | 2.10 | \$275.00 | 577.50 | CMV |
| Sep-03-03 | Discovery and Document Production & Review Discuss with auditor C. Williams need for audited statements in preparation for mediation | 0.25 | \$275.00 | 68.75 | CMV |
| Sep-16-03 | Discovery and Document Production & Review Send e-mail to C. Kamida re HIPPA and protective order modifications | 0.25 | \$275.00 | 68.75 | CMV |
| Sep-19-03 | Discovery and Document Production & Review Discuss with S. Wilson, CPA, method for reviewing billing records for accuracy in preparation for mediation | 0.25 | \$275.00 | 68.75 | CMV |
| Sep-23-03 | Discovery and Document Production & Review Telephone conference(s) with client re ongoing preparation of files for CPA and mediation | 0.25 | \$275.00 | 68.75 | CMV |
| Sep-25-03 | Discovery and Document Production & Review Telephone conference(s) with B. Hurd re recent subpoena, billing and IEP information ; Telephone conference(s) with Gary Senaga re same | 0.40 | \$0.00 | 0.00 | CMV |
| Sep-29-03 | Discovery and Document Production & Review Telephone conference(s) with B. Hurd re concerns about preparation of billing information and audit, discuss work plan for production | 0.40 | \$275.00 | 110.00 | CMV |

| | | | | | |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|----------|-----|
| | Discovery and Document Production & Review : review and discuss student service reports with client | 0.30 | \$0.00 | 0.00 | CMV |
| Sep-30-03 | Discovery and Document Production & Review : review documents assembled by client for production including: original invoices, service logs, rebilling summary sheets, IEP service sections, service authorizations, student list, DOE invoices and payments | 4.40 | \$275.00 | 1,210.00 | CMV |
| | Discovery and Document Production & Review : discuss documents produced by client for production to state | 0.50 | \$275.00 | 137.50 | CMV |
| Oct-11-03 | Discovery and Document Production & Review : final review of documents for production | 2.75 | \$275.00 | 756.25 | CMV |
| Oct-13-03 | Discovery and Document Production & Review : draft letter A Schulaner that documents ready for production | 0.20 | \$0.00 | 0.00 | CMV |
| Oct-15-03 | Discovery and Document Production & Review : meeting with Detor and Williams CPAs to discuss means of verifying integrity of bills short of complete audit | 1.75 | \$275.00 | 481.25 | CMV |
| Oct-17-03 | Discovery and Document Production & Review Telephone conference(s) with client re how to timely determine billing status and statement updates during mediation | 0.40 | \$275.00 | 110.00 | CMV |
| | Discovery and Document Production & Review :review CPA audit information | 0.30 | \$275.00 | 82.50 | CMV |
| Nov-03-03 | Discovery and Document Production & Review : read memo from P. Dukes in preparation for meeting | 0.30 | \$275.00 | 82.50 | CMV |
| Nov-06-03 | Discovery and Document Production & Review Meeting with client to review extensive documents and material assembled for mediation, discuss mediation issues and process | 3.80 | \$275.00 | 1,045.00 | CMV |
| Nov-07-03 | Discovery and Document Production & Review Telephone conference(s) with T. Loudat re billing analysis and losf profits | 0.20 | \$275.00 | 55.00 | CMV |

| | | | | | |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| | Discovery and Document Production & Review : tc with (.2) Telephone conference(s) with Loveland Academy owner, Patty Dukes re same re lost profits analysis | 0.30 | \$275.00 | 82.50 | CMV |
| Nov-12-03 | Discovery and Document Production & Review : review and discuss with CPA the verification of sample invoices and service logs | 0.50 | \$275.00 | 137.50 | CMV |
| | Discovery and Document Production & Review Update from J. Loveland re current outstanding invoices. | 0.20 | \$0.00 | 0.00 | CMV |
| Nov-19-03 | Discovery and Document Production & Review : review and dicuss with client recent payments | 0.30 | \$0.00 | 0.00 | CMV |
| Nov-21-03 | Discovery and Document Production & Review Telephone conference(s) with J. Loveland to review continued preparation of bililng information, categories of children and organization and summaries of binders | 0.30 | \$0.00 | 0.00 | CMV |
| Nov-24-03 | Discovery and Document Production & Review : review and dicuss with client recent payments | 0.30 | \$0.00 | 0.00 | CMV |
| Nov-26-03 | Discovery and Document Production & Review Telephone conference(s) with J. Loveland re billing issues, need to update and correct certain information and organization of students' information to present to mediator | 0.30 | \$275.00 | 82.50 | CMV |
| Dec-01-03 | Discovery and Document Production & Review Review notebooks that including invoices and billing information | 2.30 | \$275.00 | 632.50 | CMV |
| | Discovery and Document Production & Review : review and discuss with client recent payments | 0.30 | \$275.00 | 82.50 | CMV |
| Dec-04-03 | Discovery and Document Production & Review Telephone conference(s) with client to confirm which payments were late for past two months and set work plan for continued mediation | 0.75 | \$275.00 | 206.25 | CMV |

| | | | | | |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| Dec-05-03 | Discovery and Document Production & Review : review protective order, Kamida communications and notes and draft letter to A. Schulaner and related matters | 1.10 | \$275.00 | 302.50 | CMV |
| Dec-10-03 | Discovery and Document Production & Review : review and discuss G K-R settlement agreement with client and implications for stay-put | 0.40 | \$275.00 | 110.00 | CMV |
| Dec-16-03 | Discovery and Document Production & Review : review recent DOE payments | 0.20 | \$0.00 | 0.00 | CMV |
| Dec-18-03 | Discovery and Document Production & Review Telephone conference(s) with client re payment of Ho`omalua GM, mediation and document preparation | 0.30 | \$0.00 | 0.00 | CMV |
| | Discovery and Document Production & Review : review recent DOE payments | 0.20 | \$0.00 | 0.00 | CMV |
| Dec-23-03 | Discovery and Document Production & Review : review reconciled invoices | 0.30 | \$0.00 | 0.00 | CMV |
| Jan-05-04 | Discovery and Document Production & Review : review recent DOE payments | 0.20 | \$0.00 | 0.00 | CMV |
| Jan-08-04 | Discovery and Document Production & Review Meeting with client to review materials prepared to support claims for payment for services provided without service authorizations | 0.60 | \$275.00 | 165.00 | CMV |
| Jan-09-04 | Discovery and Document Production & Review : tc with S Levin re G K-R outstanding invoices and review letter and invoices from S Levin | 0.30 | \$275.00 | 82.50 | CMV |
| Jan-12-04 | Discovery and Document Production & Review : meeting with client to review notebooks containing documentation of services rendered under IEPs for period of 1999-2002 | 1.40 | \$275.00 | 385.00 | CMV |
| | Discovery and Document Production & Review : draft note to A. Schulaner re notebooks | 0.20 | \$0.00 | 0.00 | CMV |
| Jan-13-04 | Discovery and Document Production & Review Telephone conference with client re documents in notebooks | 0.70 | \$275.00 | 192.50 | CMV |

| | | | | | |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| Jan-14-04 | Discovery and Document Production & Review Telephone conference(s) with A. Schulaner re scheduling, documents, mediation, status and discovery | 0.30 | \$275.00 | 82.50 | CMV |
| Jan-20-04 | Discovery and Document Production & Review : review recent DOE payments | 0.20 | \$0.00 | 0.00 | CMV |
| Jan-21-04 | Discovery and Document Production & Review : review recent DOE payments | 0.20 | \$275.00 | 55.00 | CMV |
| Jan-22-04 | Discovery and Document Production & Review Numerous calls with client and K Gurtiza re billing invoices, review invoices and attempt to clarify discrepancies for H G-M | 1.30 | \$275.00 | 357.50 | CMV |
| Jan-26-04 | Discovery and Document Production & Review Telephone conference(s) with T. Loudat re billing issues and methods for assesing damages | 0.25 | \$0.00 | 0.00 | CMV |
| Feb-04-04 | Discovery and Document Production & Review : read and dicuss with client memo re inability to make payroll due to DOE refusal to pay | 0.40 | \$275.00 | 110.00 | CMV |
| Feb-12-04 | Discovery and Document Production & Review : draft letter to Fairbanks re effect of prior due process decision re placement at Loveland | 0.20 | \$0.00 | 0.00 | CMV |
| Feb-17-04 | Discovery and Document Production & Review Telephone conference(s) with P. Dukes re parents' cases and need for update on each child's status | 0.20 | \$0.00 | 0.00 | CMV |
| Mar-01-04 | Discovery and Document Production & Review meeting with Stanley Levin, to discuss his clients' settlements for purposes of supporting motion for PI | 0.40 | \$275.00 | 110.00 | CMV |
| Mar-04-04 | Discovery and Document Production & Review Telephone conference(s) with client re status of documents for her declaration and parents' declarations | 0.30 | \$275.00 | 82.50 | CMV |
| Mar-05-04 | Discovery and Document Production & Review Telephone conference(s) with client regarding documents necessary for | 0.60 | \$275.00 | 165.00 | CMV |

| | | | | | |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| | motions filing, case status and letter to A. Schulaner | | | | |
| | Discovery and Document Production & Review : review accreditation material confirming Loveland accreditation by CARF as day treatment facility | 0.40 | \$275.00 | 110.00 | CMV |
| Mar-11-04 | Discovery and Document Production & Review : review most recent payments by DOE | 0.00 | \$0.00 | 0.00 | CMV |
| Mar-12-04 | Discovery and Document Production & Review : update memo and documents from parents re student J K | 0.30 | \$0.00 | 0.00 | CMV |
| Mar-15-04 | Discovery and Document Production & Review Telephone conference(s) with parent of T J re hearing, billing and related matters; follow up call to parent re same | 0.75 | \$0.00 | 0.00 | CMV |
| | Discovery and Document Production & Review : review recent payments by DOE | 0.25 | \$0.00 | 0.00 | CMV |
| Mar-30-04 | Discovery and Document Production & Review Read recent billing material from client | 0.20 | \$0.00 | 0.00 | CMV |
| Apr-02-04 | Discovery and Document Production & Review : tc with Bob Hatanaka re Loveland billing and presentation of testimony at trial | 0.50 | \$275.00 | 137.50 | CMV |
| | Discovery and Document Production & Review : tc with client re need for accounting data and testimony for trial | 0.30 | \$275.00 | 82.50 | CMV |
| Apr-06-04 | Discovery and Document Production & Review : discuss with A. Schulaner attempt by Bryna Siegel to enter and observe program at Loveland read letter from A. Schulaner re same | 0.40 | \$275.00 | 110.00 | CMV |
| Apr-07-04 | Discovery and Document Production & Review Telephone conference(s) with client re billing and need for accurate numbers for trial and need to prepare exhibits | 0.50 | \$275.00 | 137.50 | CMV |
| | Discovery and Document Production & Review : read and discuss with client letter | 0.40 | \$275.00 | 110.00 | CMV |

| | | | | | |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| | from A. Schulaner re depositions and witnesses including Sperry, Smalley, Wright and clients | | | | |
| | Discovery and Document Production & Review : letter to A. Schulaner re deponents | 0.20 | \$275.00 | 55.00 | CMV |
| Apr-13-04 | Discovery and Document Production & Review Meeting with C. Nakamura to discuss Baptiz settlement and impact on case | 0.50 | \$275.00 | 137.50 | CMV |
| | Discovery and Document Production & Review : tc with Clayton Kamida re use of exhibits at trial | 0.40 | \$275.00 | 110.00 | CMV |
| Apr-14-04 | Discovery and Document Production & Review : contact CARF to discuss conditions of Loveland accreditation and possible tesimony | 0.40 | \$275.00 | 110.00 | CMV |
| Apr-26-04 | Discovery and Document Production & Review : draft letter brief to court re Bryna Siegel's inspection and assessment of Loveland program | 0.60 | \$275.00 | 165.00 | CMV |
| | Discovery and Document Production & Review : read DOE letter brief re Siegel and discuss with client | 0.60 | \$275.00 | 165.00 | CMV |
| Apr-27-04 | Discovery and Document Production & Review : Telephone conference(s) with K. Gurtiza bookkeeper re evidence preparation | 0.40 | \$275.00 | 110.00 | CMV |
| | Discovery and Document Production & Review Telephone conference(s) with A. Schulaner to discuss discovery schedule and settlement | 0.50 | \$275.00 | 137.50 | CMV |
| May-03-04 | Discovery and Document Production & Review Telephone conference(s) with C. Williams re possible testimony and proof | 1.10 | \$275.00 | 302.50 | CMV |
| Jun-04-04 | Discovery and Document Production & Review meeting with client and B. Hatanaka to review billing statements and back-up | 1.00 | \$275.00 | 275.00 | CMV |
| Jun-07-04 | Discovery and Document Production & Review Telephone conference(s) with client regarding case status, transmittal of | 1.20 | \$275.00 | 330.00 | CMV |

| | | | | | |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| | records to CPA need to continue evaluation procedures and confirm placement, get unresolved placement issues completed | | | | |
| Jun-30-04 | Discovery and Document Production & Review : review recent payments from DOE | 0.20 | \$0.00 | 0.00 | CMV |
| Jul-26-04 | Discovery and Document Production & Review : review recent payments from DOE | 0.20 | \$0.00 | 0.00 | CMV |
| Jul-27-04 | Discovery and Document Production & Review : review rejected invoices from Windward and discuss with client | 0.50 | \$275.00 | 137.50 | CMV |
| Jul-30-04 | Discovery and Document Production & Review : review recent payments | 0.20 | \$0.00 | 0.00 | CMV |
| Aug-02-04 | Discovery and Document Production & Review : review recent payments | 0.30 | \$0.00 | 0.00 | CMV |
| Aug-24-04 | Discovery and Document Production & Review : review recent payments by DOE | 0.30 | \$0.00 | 0.00 | CMV |
| Aug-30-04 | Discovery and Document Production & Review : review recent payments | 0.30 | \$0.00 | 0.00 | CMV |
| Sep-02-04 | Discovery and Document Production & Review : review termination of transportation services for AK and discuss with client | 0.40 | \$275.00 | 110.00 | CMV |
| Sep-08-04 | Discovery and Document Production & Review : review correspondence re AK and DOE's intent to stop payment even though child is one identified as group 1 in settlement and stay put applies | 0.50 | \$275.00 | 137.50 | CMV |
| | Discovery and Document Production & Review : review recent payments from DOE | 0.20 | \$0.00 | 0.00 | CMV |
| Sep-16-04 | Discovery and Document Production & Review : read memo from client re continued late and deficient payments and correspondence with A. Beppu re same and discuss with client | 1.20 | \$275.00 | 330.00 | CMV |
| | Discovery and Document Production & | 0.20 | \$0.00 | 0.00 | CMV |

| | | | | | |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| | Review : review recent payments from DOE | | | | |
| Sep-24-04 | Discovery and Document Production & Review : review recent payments from DOE | 0.20 | \$0.00 | 0.00 | CMV |
| Sep-27-04 | Discovery and Document Production & Review : review recent payments from DOE | 0.20 | \$0.00 | 0.00 | CMV |
| Oct-14-04 | Discovery and Document Production & Review : read and discuss with client DOE letter refusing to pay for AK and JR, both of whom are group 1 students | 1.70 | \$275.00 | 467.50 | CMV |
| Oct-26-04 | Discovery and Document Production & Review : review recent payments from DOE | 0.30 | \$0.00 | 0.00 | CMV |
| Nov-17-04 | Discovery and Document Production & Review : read memo and discuss with client DOE's continued refusal to pay for group 1 students including AK, H G-M and P G-M and correspondence with A. Beppu | 1.60 | \$275.00 | 440.00 | CMV |
| Nov-22-04 | Discovery and Document Production & Review : review recent payments from DOE | 0.30 | \$0.00 | 0.00 | CMV |
| Nov-23-04 | Discovery and Document Production & Review : review service authorizations for AD and discuss with client | 0.60 | \$275.00 | 165.00 | CMV |
| Dec-12-04 | Discovery and Document Production & Review : review recent payments from DOE | 0.30 | \$0.00 | 0.00 | CMV |
| Dec-23-04 | Discovery and Document Production & Review : review recent payments from DOE | 0.30 | \$0.00 | 0.00 | CMV |
| Jan-24-05 | Discovery and Document Production & Review : review recent payments from DOE | 0.30 | \$0.00 | 0.00 | CMV |
| Feb-01-05 | Discovery and Document Production & Review : tc with B. Hatanaka to discuss document requests and need for status conference | 0.25 | \$275.00 | 68.75 | CMV |

| | | | | | |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| Feb-28-05 | Discovery and Document Production & Review : review recent payments from DOE | 0.20 | \$0.00 | 0.00 | CMV |
| Mar-15-05 | Discovery and Document Production & Review : discuss J Candon's need for documents requested with B. Hatanaka | 0.40 | \$275.00 | 110.00 | CMV |
| Mar-17-05 | Discovery and Document Production & Review : review recent payments by DOE | 0.00 | \$0.00 | 0.00 | CMV |
| Mar-22-05 | Discovery and Document Production & Review : review recent payments by DOE | 0.00 | \$0.00 | 0.00 | CMV |
| May-09-05 | Discovery and Document Production & Review : review recent payments by DOE | 0.20 | \$0.00 | 0.00 | CMV |
| Jun-20-05 | Discovery and Document Production & Review ; review recent payments by DOE | 0.20 | \$0.00 | 0.00 | CMV |
| Jul-25-05 | Discovery and Document Production & Review : review recent payments by DOE | 0.30 | \$0.00 | 0.00 | CMV |
| Aug-01-05 | Discovery and Document Production & Review : review recent payments by DOE | 0.20 | \$0.00 | 0.00 | CMV |
| Aug-11-05 | Discovery and Document Production & Review : review calendars, sign-in sheets and attendance records for production to J Candon | 0.40 | \$275.00 | 110.00 | CMV |
| Aug-12-05 | Discovery and Document Production & Review : read J Candon letter confirming receipt | 0.20 | \$0.00 | 0.00 | CMV |
| Aug-29-05 | Discovery and Document Production & Review : review recent payments by DOE | 0.20 | \$0.00 | 0.00 | CMV |
| Jun-29-06 | Discovery and Document Production & Review : read letter from J Candon re need for additional document because of "problems" and discuss with client | 0.50 | \$275.00 | 137.50 | CMV |
| Jul-17-06 | Discovery and Document Production & Review : read letter from J Candon re documents and discuss client delegation of response to staff | 0.50 | \$275.00 | 137.50 | CMV |
| Apr-09-07 | Discovery and Document Production & Review : confer with client re need to | 0.40 | \$275.00 | 110.00 | CMV |

| | | | | | |
|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------|--------|-----|
| | produce payroll and other records pursuant to court's directive | | | | |
| | Discovery and Document Production & Review : review and produce client service reports | 1.30 | \$275.00 | 357.50 | CMV |
| Apr-22-07 | Discovery and Document Production & Review : tc with B. Hatanaka re records requested by J Candon and substance of discussion at meeting | 0.40 | \$275.00 | 110.00 | CMV |
| Jun-28-07 | Discovery and Document Production & Review : read client e-mail re Miyashiro request for attendance records and billing summaries and discuss with client and CPA | 1.25 | \$275.00 | 343.75 | CMV |
| Jul-09-07 | Discovery and Document Production & Review : read lengthy e-mail from client re requested documents and discuss with her by telephone | 1.40 | \$275.00 | 385.00 | CMV |
| Jul-11-07 | Discovery and Document Production & Review : meeting with client to review records and discuss issues re disclosure | 1.25 | \$275.00 | 343.75 | CMV |
| Aug-14-07 | Discovery and Document Production & Review : prepare for and attend meeting a Loveland to review records requested by J Candon and discuss relationship between service logs, attendance reports, time cards and billing statement | 2.70 | \$275.00 | 742.50 | CMV |
| Sep-20-07 | Discovery and Document Production & Review : obtain billing records, review and forward to J Candon | 0.60 | \$275.00 | 165.00 | CMV |
| Oct-24-07 | Discovery and Document Production & Review : review message re missing binders and discuss with client | 0.40 | \$275.00 | 110.00 | CMV |
| Nov-05-07 | Discovery and Document Production & Review : review outstanding invoices and discuss response with client | 0.40 | \$275.00 | 110.00 | CMV |
| Nov-14-07 | Discovery and Document Production & Review : tc with client re additional records and need to present them immediately to Candon | 0.50 | \$275.00 | 137.50 | CMV |

| | | | | | |
|-----------------|----------------------------------------------------------------------------------------------------------------------|--------|-------------|--------------------|-----|
| | Discovery and Document Production & Review : review Miyashiro sample population spread sheet and discuss with client | 1.00 | \$275.00 | 275.00 | CMV |
| Nov-15-07 | Discovery and Document Production & Review : review and send to Candon additional documents; send e-mail re same | 0.30 | \$275.00 | 82.50 | CMV |
| | Totals | 118.45 | \$28,105.00 | | |
| | Total Sales Tax on Fees | | 1,170.85 | | |
| | Total Fee & Disbursements | | | \$29,275.85 | |
| | Balance Now Due | | | \$29,275.85 | |
| Total Sales Tax | \$1,170.85 | | | | |

Carl M. Varady
 American Savings Bank Tower
 1001 Bishop Street, Suite 2870
 Honolulu, HI 96813

Ph:808/523-8447

Fax:808/523/8448

Loveland Academy & PALS
 1506 Piikoi
 Honolulu, HI
 96822

May 18, 2008

Attention:

File #: Loveland-PAL

Inv #: Sample

RE: Billing Dispute with DOE

| DATE | DESCRIPTION | HOURS | RATE | AMOUNT | LAWYER |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------|-----------------|--------|
| Aug-10-05 | Discovery and Document Production & Review : review documents, calendars, attendance records and sign in sheets for and prepare for CMV review | 2.40 | \$80.00 | 192.00 | CC |
| | Totals | 2.40 | | \$192.00 | |
| | Total Sales Tax on Fees | | | 8.00 | |
| | Total Fee & Disbursements | | | \$200.00 | |
| | Balance Now Due | | | \$200.00 | |
| Total Sales Tax | \$8.00 | | | | |